Melvin B. Pearlston (SBN 54291) Robert B. Hancock (SBN 179438) Superior Court of California County of San Francisco PACIFIC JUSTICE CENTER 50 California Street, Suite 1500 San Francisco, California 94111 Tel: (415) 310-1940/Fax: (415) 354-3508 APR 0 \ 2016 CLERK OF THE COURT Attorneys for Plaintiff 4 DAVID W. YUEN Deputy Clerk 5 6 7 8 SUPERIOR COURT OF CALIFORNIA BYEAK 9 COUNTY OF SAN FRANCISCO 10 11 CIVICACTION NO.551330 ERIKA MCCARTNEY, in the public interest, 12 COMPLAINT FOR INJUNCTIVE Plaintiff, RELIEF AND CIVIL PENALTIES 13 [Cal. Health and Safety Code 14 Sec. 25249.6, et seq.] BLUE MARBLE BRANDS, LLC, a Delaware limited liability company; UNITED NATURAL 15 FOODS, INC., a Delaware corporation; UNITED NATURAL TRADING, LLC, a 16 Delaware limited liability company; and DOES 1 through 500, inclusive, 17 18 Defendants. 19 20 21 22 23 24 25 26

Erika McCartney, in the public interest, based on information and belief, except for information pertaining directly to Plaintiff, hereby makes the following allegations.

INTRODUCTION

- 1. This Complaint seeks to remedy Defendants' continuing failure to adequately warn individuals in California that they are being exposed to cadmium, a chemical known to the State of California to cause birth defects and other reproductive harm. Such exposures have occurred, and continue to occur, through the manufacture, distribution, sale and consumption of "Ah!laska Unsweetened Baker's Cocoa" (the "Product"). The Product is available through a multitude of retail channels including, without limitation: (a) third-party traditional brick-and-mortar retail locations; (b) via the internet through third-party retail websites; and (c) directly at Defendants' online store. Consumers are exposed to cadmium when they consume the Product.
- 2. Under California's Proposition 65, Health & Safety Code § 25249.5, et seq., it is unlawful for businesses to knowingly and intentionally expose individuals in California to chemicals known to the State to cause cancer, birth defects or other reproductive harm without providing clear and reasonable warnings to individuals prior to their exposure. Defendants introduce a product contaminated with cadmium into the California marketplace, exposing consumers of the Product to cadmium.
- 3. Despite the fact that the Defendants expose consumers to cadmium, during the relevant period, Defendants provided no warning about the reproductive hazards associated with cadmium exposure. Defendants' conduct thus violates the warning provision of Proposition 65, Health & Safety Code § 25249.6.

PARTIES

- 4. Plaintiff brings this enforcement action in the public interest pursuant to Health & Safety Code § 25249.7(d).
- 5. Defendant BLUE MARBLE BRANDS, LLC is a Delaware limited liability company with its principal place of business at 313 Iron Horse Way, Providence, Rhode Island. This Defendant is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. This Defendant manufactures, distributes and/or sells the Product for sale and use in California.
- 6. Defendant UNITED NATURAL FOODS, INC. is a Delaware corporation with its principal place of business at 313 Iron Horse Way, Providence, Rhode Island. This Defendant is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. This Defendant manufactures, distributes and/or sells the Product for sale and use in California.
- 7. Defendant UNITED NATURAL TRADING, LLC is a Delaware limited liability company with its principal place of business at 96 Executive Avenue, Edison, New Jersey. This Defendant is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. This Defendant manufactures, distributes and/or sells the Product for sale and use in California.
- 8. Defendants BLUE MARBLE BRANDS, LLC, UNITED NATURAL FOODS, INC., and UNITED NATURAL TRADING, LLC are related entities, and are agents of one another. There is unity of interest and ownership among Defendants such that the separate personalities of the entities do not exist, and to treat them as separate would sanction a fraud or promote injustice. Accordingly, each Defendant is the alter ego of the others.

9. The true names of DOES 1 through 500 are unknown to Plaintiff at this time. When their identities are ascertained, the Complaint shall be amended to reflect their true names.

JURISDICTION AND VENUE

- 10. The Court has jurisdiction over this action pursuant to Health & Safety Code § 25249.7, which allows enforcement in any court of competent jurisdiction, and pursuant to California Constitution Article VI, Section 10, because this case is a cause not given by statute to other trial courts.
- 11. This Court has jurisdiction over Defendants are business entities that do sufficient business, have sufficient minimum contacts in California or otherwise intentionally avail themselves of the California market through the sale, marketing or use of the Product in California and/or by having such other contacts with California so as to render the exercise of jurisdiction over them by the California courts consistent with traditional notions of fair play and substantial justice.
- 12. Venue is proper in San Francisco County Superior Court because one or more of the violations arise in the County of San Francisco, and no defendant has designated a principal office in California.

BACKGROUND FACTS

- 13. The People of the State of California have declared by initiative under Proposition 65 their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm." Proposition 65 § 1(b).
- 14. To effectuate this goal, Proposition 65 prohibits exposing people to chemicals listed by the State of California as known to cause cancer, birth defects or other reproductive harm above

certain levels without a "clear and reasonable warning" unless the business responsible for the exposure can prove that it fits within a statutory exemption. Health & Safety Code § 25249.6 states, in pertinent part:

No person in the course of doing business shall knowingly and intentionally expose any individual to a chemical known to the state to cause cancer or reproductive toxicity without first giving clear and reasonable warning to such individual

- known to cause reproductive toxicity. Cadmium is specifically identified as a reproductive toxicant under two subcategories: "developmental reproductive toxicity," which means harm to the developing fetus, and "male reproductive toxicity," which means harm to the male reproductive system. 27 California Code of Regulations ("C.C.R.") § 27001(c). On May 1, 1998, one year after it was listed as a chemical known to cause reproductive toxicity, cadmium became subject to the clear and reasonable warning requirement regarding reproductive toxicants under Proposition 65.
- 16. The level of exposure to a chemical causing reproductive toxicity under Proposition 65 is determined by multiplying the level in question times the reasonably anticipated rate of exposure for an individual to a given medium. 27 C.C.R. § 25821(b). For exposures to consumer products, the level of exposure is calculated using the reasonably anticipated rate of intake or exposure for average users of the consumer product. 27 C.C.R. § 25821(c)(2).
- 17. The Product contains sufficient quantities of cadmium such that consumers who consume the Product are exposed to cadmium. The primary route of exposure for the violations is direct ingestion when consumers orally ingest the Product. These exposures occur in homes, workplaces and everywhere in California where the Product is consumed.

- 18. During the relevant one-year period herein, no clear and reasonable warning was provided with the Product regarding the reproductive hazards of cadmium.
- 19. Any person acting in the public interest has standing to enforce violations of Proposition 65 provided that such person has supplied the requisite public enforcers with a valid 60-Day Notice of Violation and such public enforcers are not diligently prosecuting the action within such time. Health & Safety Code § 25249.7(d).
- 20. More than sixty days prior to naming each Defendant in this lawsuit, Plaintiff provided a 60-Day "Notice of Violation of Proposition 65" to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to the named Defendant. In compliance with Health & Safety Code § 25249.7(d) and 27 C.C.R. § 25903(b), each Notice included the following information: (1) the name and address of each violator; (2) the statute violated; (3) the time period during which violations occurred; (4) specific descriptions of the violations, including (a) the routes of exposure to cadmium from the Product, and (b) the specific type of Product sold and used in violation of Proposition 65; and (5) the name of the specific Proposition 65-listed chemical that is the subject of the violations described in each Notice.
- 21. Plaintiff also sent a Certificate of Merit for each Notice to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to each named Defendant. In compliance with Health & Safety Code § 25249.7(d) and 11 C.C.R. § 3101, each Certificate certified that Plaintiff's counsel: (1) has consulted with one or more persons with relevant and appropriate experience or expertise who reviewed facts, studies or other data regarding the exposures to cadmium alleged in each Notice; and (2) based on the information obtained through such consultations, believes that

there is a reasonable and meritorious case for a citizen enforcement action based on the facts alleged in each Notice. In compliance with Health & Safety Code § 25249.7(d) and 11 C.C.R. § 3102, each Certificate served on the Attorney General included factual information - provided on a confidential basis – sufficient to establish the basis for the Certificate, including the identity of the person(s) consulted by the Plaintiff's counsel and the facts, studies or other data reviewed by such persons.

- 22. None of the public prosecutors with the authority to prosecute violations of Proposition 65 has commenced and/or is diligently prosecuting a cause of action against Defendants under Health & Safety Code § 25249.5, et seq., based on the claims asserted in each of Plaintiff's Notices.
- 23. Defendants know and intend that individuals will consume the Product, thus exposing them to cadmium.
- 24. Under Proposition 65, an exposure is "knowing" where the party responsible for such exposure has:

knowledge of the fact that a[n] ... exposure to a chemical listed pursuant to [Health & Safety Code § 25249.8(a)] is occurring. No knowledge that the ... exposure is unlawful is required.

- 27 C.C.R. § 25102(n). This knowledge may be either actual or constructive. *See*, *e.g.*, Final Statement of Reasons Revised (November 4, 1988) (pursuant to former 22 C.C.R. Division 2, § 12201).
- 25. Defendants have further been informed of the cadmium in the Product by the 60-Day Notice of Violation and accompanying Certificate of Merit served on them.

26. Defendants also have constructive knowledge that the Product contains cadmium due to the widespread media coverage concerning the problem of cadmium in consumer products in general, and, in particular, cocoa and cacao products.

- 27. As entities that manufacture, import, distribute and/or sell the Product for use in the California marketplace, Defendants know or should know that the Product contains cadmium and that individuals who consume the Product will be exposed to cadmium. The cadmium exposures to consumers who consume the Product are a natural and foreseeable consequence of Defendants placing the Product into the stream of commerce.
- 28. Nevertheless, on information and belief, Defendants continue to expose consumers to cadmium without prior clear and reasonable warnings regarding the reproductive hazards of cadmium.
- 29. Plaintiff has engaged in good-faith efforts to resolve the claims alleged herein prior to filing this Complaint by way of her 60-day Notice, to which no response was received.
- 30. Any person "violating or threatening to violate" Proposition 65 may be enjoined in any court of competent jurisdiction. Health & Safety Code § 25249.7. "Threaten to violate" is defined to mean "to create a condition in which there is a substantial probability that a violation will occur." Health & Safety Code § 25249.11(e). Proposition 65 provides for civil penalties not to exceed \$2,500 per day for each violation of Proposition 65.

CAUSE OF ACTION

(Violations of the Health & Safety Code 25249.6)

31. Plaintiff restates and realleges paragraphs 1 through 30, inclusive, as though fully set forth herein.

32. By placing the Product into the stream of commerce, each Defendant is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11.

33. Cadmium is a chemical listed by the State of California as known to cause birth defects and other reproductive harm.

34. Defendants know that use of the Product will expose users of the Product to cadmium. Defendants intend that the Product be used in a manner that results in exposures to cadmium from the Product.

35. On information and belief, Defendants have failed to provide clear and reasonable warnings regarding the reproductive toxicity of cadmium to users of the Products.

36. By committing the acts alleged above, Defendants have at times relevant to this Complaint violated Proposition 65 by knowingly and intentionally exposing individuals to cadmium without first giving clear and reasonable warnings to such individuals regarding the reproductive toxicity of cadmium.

PRAYER FOR RELIEF

Wherefore, Plaintiff prays for judgment against Defendants as follows:

1. That the Court, pursuant to Health & Safety Code § 25249.7(b), assess civil penalties against each Defendant in the amount of up to \$2,500 per day for each violation of Proposition 65;

2. That the Court, pursuant to Health & Safety Code § 25249.7(a), preliminarily and permanently enjoin each Defendant from offering the Product for sale in California without either reformulating the Product such that no Proposition 65 warnings are required or providing prior clear and reasonable warnings, as Plaintiff shall specify in further application to the Court;

- 3. That the Court, pursuant to Health & Safety Code § 25249.7(a), order each

 Defendant to take action to stop ongoing unwarranted exposures to cadmium resulting from use of

 Product sold, as Plaintiff shall specify in further application to the Court;
- 4. That the Court, pursuant to Code of Civil Procedure § 1021.5 or any other applicable theory or doctrine, grant Plaintiff her reasonable attorneys' fees and costs of suit; and
 - 5. That the Court grant such other and further relief as may be just and proper.

Dated: April 5, 2016.

PACIFIC JUSTICE CENTER

By:

Attorneys for Plaintiff